

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis

Small-Issue Industrial Development Bond Programs and Projects

March 26, 2008 Allocation

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer considerable interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2008, California’s State ceiling is approximately \$3.107 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Small-Issue Industrial Development Bond Project Pool. For calendar year 2008, the Committee reserved \$100 million, or 3.2%, of the State ceiling for the IDB Project Pool. The \$100 million of bond authority will be allocated throughout the 2008 program year.

The Committee awarded \$34,500,000 to Small-Issue Industrial Development Bond Projects on March 26, 2008. The award to the Small Issue Industrial Development Bond Projects represents 24.5% of the \$100 million IDB Project Pool and 1.1% of the 2008 \$3.107 billion State ceiling.

The Small Business Program funds small businesses on an ongoing basis throughout the year. In awarding the \$20 million of allocation to the California Industrial Development Financing Advisory Commission (CIDFAC), the Committee authorized CIDFAC to transfer portions of the allocation to local issuers and the California Infrastructure and Economic Development Bank (I-Bank) for purposes of issuing bonds under the Program on behalf of qualified Small Businesses. CIDFAC, local issuers and/or I-Bank will have until mid-December 2008 to issue bonds. Any unused allocation will revert back to the Committee to reallocate to other programs.

The Small-Issue Industrial Development Bond projects funded on March 26, 2008 will create a total of 104 new jobs and retain a total of 579 existing jobs in Fresno, Los Angeles, Madera and Tulare Counties. Of these, 21 new jobs are in the City of Fresno, 40 new and 371 retained jobs are in the City of Vernon, 33 new and 177 retained jobs are in the City of Madera and 10 new and 31 retained jobs are in the City of Visalia.

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Program Pool	Allocation Amount	Number of Projects	Number of New Mngmt Jobs	Number of New Skilled and Semi-Skilled/Jobs	Number of New Unskilled Jobs	Total Number of New Jobs Created	Weighted Average Hourly Wage	Total Number of Jobs Retained
Small-Issue Industrial Development Bond Project Pool	\$10,000,000	1	4	9	8	21	\$16.49	0
Small-Issue Industrial Development Bond Project Pool	\$10,000,000	1	0	40	0	40	\$14.31	371
Small-Issue Industrial Development Bond Project Pool	\$7,000,000	1	3	29	1	33	\$20.73	177
Small-Issue Industrial Development Bond Project Pool	\$7,500,000	1	0	10	0	10	\$17.68	31
TOTALS	\$34,500,000	4	7	88	9	104	\$17.30	579

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